

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

COMMONWEALTH EDISON COMPANY,)	
)	
)	
Regarding a Complaint and Petition By)	
Commonwealth Edison Company For An Order)	No. 02-0277
Finding PDV Midwest LLC In Violation Of The)	
Prohibition On Resale Of Retail Electric Service)	
Contained In the Illinois Public Utilities Act And)	
Set Forth In Rider 12, Conditions Of Resale Or)	
Redistribution Of Electricity By The Customer)	
To Third Persons, And For Other Relief.)	

**Direct Testimony of
Lynn Miller
Principal Rate Administrator
Commonwealth Edison Company**

Public Version

April 25, 2003

1 **Q: Please state your name and business address.**

2 A: My name is Lynn Miller. My business address is Commonwealth Edison Company, Three
3 Lincoln Centre, Oakbrook Terrace, Illinois 60181-4260.

4 **Q: By whom are you employed and in what position?**

5 A: I am employed by Commonwealth Edison Company (“ComEd” or the “Company”) in the
6 position of Principal Rate Administrator in the Distribution Pricing department.

7 **Q: Please describe your background and business experience.**

8 A: My education is in Accounting. My experience with the Company includes 12 years of
9 union clerical support in both the Customer Service department and the Distribution
10 Systems Operating department. Also, I have 13 years management experience of which 11
11 were spent in the Billing department as either a Billing Supervisor or as a Billing Analyst.
12 Last year I was transferred to the Distribution Pricing department to, in part, lend my
13 expertise to the automation and implementation of new and/or revised tariffs into our
14 billing system.

15 **Q: Please describe your current duties and responsibilities.**

16 A: I am currently assigned to assist with the automation and implementation of new and/or
17 revised tariffs into our billing system. I also analyze billing usage and charges relative to
18 accounts that include unique combinations of tariffs and metering for inquiries and
19 complaints, and I assist with identifying required metering for new installations to
20 industrial facilities served with unique combinations of tariffs and metering.

21 **Q: What are the purposes of your testimony in this proceeding?**

22 A: I will demonstrate the appropriate amounts that should be billed for electric service
23 provided to the refinery, calciner plant, and needle coking plant in question in Lemont (the
24 “Lemont Facilities”) in light of the fact that, as indicated by Mr. Alongi, service provided
25 to the calciner and needle coking plants could not properly be combined billed to
26 PDV/Citgo (hereafter “PDV” or “Citgo”) with the service at PDV’s refinery at the reduced
27 rates of its Rate CS contract or under any other ComEd rate. I will show that doing so
28 resulted in an improper underbilling of approximately \$6.5 million, net of taxes.

29 **Q: Please describe the manner in which service to the Lemont Facilities should have been**
30 **calculated?**

31 A: Since PDV negotiated a Rate CS contract for service at its facilities in Lemont, all of the
32 service provided to the refinery owned by PDV through the contract expiration date of
33 August 2002 has been billed under the contract provisions, and under Rate RCDS - Retail
34 Customer Delivery Service and Rider PPO - Power Purchase Option from August 2002 to
35 the present. However, the service provided to the calciner plant, wholly-owned by Unocal
36 through Chicago Carbon, and to the needle coking plant, majority-owned by Unocal
37 through, Needle Coker, should have been billed separately from the service to PDV’s
38 refinery. The applicable rate for the service to the calciner and needle coking plants was
39 and is Rate 6L, ComEd’s general service rate for nonresidential customers with large loads.

40 **Q: Do the calciner and needle coking plants qualify for combined billing?**

41 A: Yes. Because they are contiguous properties and both are at least majority-owned by
42 Unocal, they do qualify for combined billing and I took that into account in my
43 calculations.

Q: Do you have the necessary usage information to calculate separate bill amounts for service provided to the calciner and needle coking plants?

A: Yes. Although ComEd does not have meters in place to measure all of the usage at those two plants, PDV has “internal” meters by which it measured the amount of usage at the calciner and needle coking plants which it then used to “bill” Unocal. PDV provided copies of these “bills” to ComEd pursuant to data requests and I used that usage information to determine the amounts that should have been billed by ComEd. (Copies of those PDV bills to Unocal are attached hereto as Exhibit 4.1.)

Q: Please describe the methods you used in determine the amounts that should have been billed.

A: I recorded the actual billed usage and charges of the PDV Rate CS contract bills and the Rate RCDS/Rider PPO bills into a spreadsheet. I then entered into the spreadsheet the usage PDV billed Unocal. For those few months for which ComEd was not provided a bill by PDV, I estimated usage based on the same percentage of PDV’s usage that had been billed to Unocal during all the other months during the same seasonal periods. I then performed two separate bill calculations. The first was a calculation at the charges under the Rate CS contract or at the charges under Rate RCDS/Rider PPO, depending on the actual billed rate for each billing period, for determining the difference between PDV’s original billed usage and the amount PDV would have been billed less the calciner and needle coking plant usage. This represents the dollar amount ComEd would have billed PDV for the refinery usage if ComEd had metered and billed it separately from the usage of the calciner and the needle coking plants. The second was a calculation at the charges under Rate 6L for the usage of the calciner and needle coking plants. This represents the

67 amount ComEd would have billed for that usage had it been metered and billed separately
68 from PDV's refinery usage. I then summed these two amounts and subtracted PDV's
69 original bill amounts. The difference represents the additional amount, net of taxes, that
70 ComEd should have, but did not, bill and collect for services supplied to the Lemont
71 Facilities. The difference in billing is \$6,492,142 for the time period August 25, 1997, to
72 February 27, 2003. (All of this is summarized on Exhibit 4.2 and displayed in detail on the
73 spreadsheet attached to my testimony as Exhibit 4.3.)

74 **Q: How can you be sure of these amounts when they extend back to 1997?**

75 A: The amounts calculated, of course, are based on usage data from meters owned by PDV.
76 Assuming that the usage data that PDV used to bill Unocal was correct, I went back into
77 the history of our filed tariffs and adjusted the formulas in my calculations for every change
78 to charges in Rate 6L, decommissioning expense adjustment charges and franchise cost
79 addition charges, fuel adjustment charges, and customer charges during the period of time
80 at issue. I can state with great confidence that, if ComEd had owned meters that registered
81 the same usage for Unocal as PDV's meters registered, the amounts I calculated for the
82 calciner and needle coking plants under Rate 6L, and the reduced amounts I calculated for
83 PDV under Rate CS and Rate RCDS/Rider PPO are accurate based on the tariffed charges
84 in effect for the service period of each bill.

85 **Q: Does this conclude your testimony?**

86 A: Yes, it does.